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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON. D.C. 20549

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FORM 10-Q

QUARTERLY REPORT UNDER SECTION 15(d) OF THE

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SECURITIES EXCHANGE ACT OF 1934

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FOR QUARTER ENDED MARCH 31. 1992 COMMISSION FILE NUMBER 0-18173

BANKNORTH GROUP. INC.

A DELAWARE CORPORATION IRS EMPLOYER IDENTIFICATION NO. 03-0321189

300 FINANCIAL PLAZA. P.O. BOX 5420. BURLINGTON. VERMONT 05401

TELEPHONE (802) 658-2492 OR (802) 658-9959

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes XX No .
--- ---

6,804,425 shares of common stock. $1.00 par. outstanding on March 31. 1992.

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INDEX TO FORM 10-Q

PART I		Page
Item 1	Financial Statements Consolidated Balance Sheets at March 31.1992 (Unaudited) and December 31. 1991	1
	Consolidated Statements of Income For the Three Months ended March 31. 1992 and 1991 (All unaudited	2
	Consolidated Statements of Cash Flows for the Three Months ended March 31. 1992 and 1991 (All unaudited)	3
	Notes to Consolidated Interim Financial Statements	4
	Independent Auditors' Report	5
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	6-11
PART II		
Item 1	Legal Proceedings	N/A
Item 2	Changes in Securities	N/A
Item 3	Defaults Upon Senior Securities	N/A
Item 4	Submission of Matters to a Vote of Security Holders	N/A
Item 5	Other Information	22
Item 6	Exhibits and Reports on Form 8-K	22
Signatures		23

CONSOLIDATED BALANCE SHEETS	March 31, 1992	December 31 1991
	(In thousands)	
	(Unaudited)	
ASSETS		
Cash and due from banks	$77.660	$80.448
Federal funds sold	9.525	4.500
Cash and cash equivalents	87.185	84.948
Interest-bearing deposits with banks	50	51
Investment securities:		
Taxable	322.370	305.224
Exempt from federal income taxes	31.273	31.331
Total investments	353.643	336.555
Loans	1.102.439	1.167.338
Less: Allowance for possible loan losses	24.528	22.094
Net loans	1.077.911	1.145.243
Premises and equipment, net	28.839	29.640
Other assets	62.868	63.315
Total assets	$1.610.496	$1.659.751
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Demand deposits	$165.885	$186.104
Regular savings	174.867	167.711
NOW and money markets	406.174	393.115
Time deposits	652.579	684.418
Total deposits	1,399.485	1,435.348
Federal funds purchased	500	25.450
Securities sold under agreements to repurchase	44.172	35.075
Borrowings from U.S. Treasury	7.021	16.647
Other short-term borrowings	60	141
Total short-term borrowings	51.753	78.113
Long-term debt	14.028	14.028
Other liabilities	21.226	16.916
Total liabilities	1,486.492	1,534.405
Shareholders' equity:		
Common stock, $1.00 par value: authorized 20,000,000 shares; issued and outstanding 6,804,425	6.804	6.804
Surplus	55.501	55.501
Retained earnings	61.699	63.041
Total shareholders' equity	124.004	125.346
Total liabilities and shareholders' equity	$1.610.496	$1.659.751

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)	Three Months Ended March 31, 1992	1991
	(In thousands, except per share data)	
Interest income:		
Interest and fees on loans	$26,461	$33,918
Deposits with banks	1	25
Federal funds sold	139	226
Securities purchased under agreements to resell	--	199
Investment securities:		
Taxable	5,867	4,828
Exempt from federal taxes	457	669
Total interest income	32,916	39,875
Interest expense:		
Deposits	16,331	21,549
Short-term borrowings	954	779
Long-term debt	269	1
Total interest expense	17,153	22,328
Net interest income	15,763	17,547
Less: Provision for possible loan losses	6,586	5,545
Net interest income after provision for possible loan losses	9,177	12,002
Other operating income:		
Trust fees	1,814	1,746
Service charges on deposit accounts	1,297	1,201
Credit card income	579	669
Net securities transactions	93	(41)
Net loan transactions	2,557	198
Other income	1,025	1,069
Total other operating income	7,365	4,772
Other operating expenses:		
Salaries	7,259	6,153
Employee benefits	1,265	1,152
Net occupancy expenses	1,472	1,287
Equipment expenses	1,251	1,282
OAEB and repossession expenses	1,472	902
FDIC insurance assessment	806	598
Other expenses	4,574	4,540
Total other operating expenses	18,749	16,414
Income (loss) before income taxes	(2,207)	160
Income tax expense (benefit)	(921)	43
Net income (loss)	($1,286)	$117
Net income (loss) per share	($0.20)	$0.02

See accompanying notes to consolidated interim financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)	Three Months Ended March 31, 1992	1991
	(In thousands)	
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Net income (loss)	($1,342)	$173
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	1,031	902
Provision for possible loan losses	6,586	5,545
Adjustment of other real estate owned to estimated market value	1,154	556
Provision for deferred tax benefit	(1,216)	(658)
Loss (gain) on sale of investment securities	(59)	41
Loss (gain) on sale of other real estate owned	(24)	58
Decrease (increase) in interest receivable	1,023	(50)
Increase in interest payable	984	1,450
Increase in other assets	(164)	(207)
Increase in other liabilities	3,351	233
Gain on sale of loans	(2,557)	(194)
Total adjustments	10,089	7,675
Net cash provided by operating activities	8,747	7,851
Cash flows from investing activities:		
Proceeds from maturity of interest-bearing deposits	1	1
Proceeds from maturity of investment securities	40,893	23,851
Proceeds from sale of investment securities	4,005	3,500
Purchase of investment securities	(61,927)	(40,230)
Proceeds from sale of loans	90,775	18,256
Proceeds from sale of other real estate owned	1,065	481
Payments received on other real estate owned	777	--
Net loans made to customers	(29,641)	(12,407)
Capital expenditures	(230)	(1,025)
Net cash provided by (used in) investing activities	45,718	(7,633)
Cash flows from financing activities:		
Net decrease in deposits	(25,863)	(65,004)
Net increase (decrease) in short-term borrowings	(26,360)	31,253
Dividends paid	(5)	(60)
Net cash used in financing activities	(52,228)	(33,811)
Net increase (decrease) in cash and cash equivalents	2,237	(33,593)
Cash and cash equivalents at beginning of period	84,948	108,097
Cash and cash equivalents at end of period	$87,185	$74,504
Additional disclosure relative to cash flows:		
Interest paid	$16,189	$20,578
Taxes paid	--	790
Supplemental schedule of non-cash investing and financing activities:		
Transfer of loans to other real estate owned	$3,347	$3,608
Other real estate owned returned to loan status	1,179	--
Increase in equity market adjustment	--	250

BANKNORTH GROUP, INC.

Notes to Consolidated Interim Financial Statements

1. The accompanying unaudited consolidated interim financial statements include the accounts of the Corporation and its subsidiaries. The Howard Bank, N.A., First Vermont Bank and Trust Company, Franklin Lamoille Bank, Granite Savings Bank and Trust Company, Woodstock National Bank and North Group Realty, Inc. It is the opinion of management that the accompanying Consolidated Interim Financial Statements have been prepared in accordance with the instructions to Form 10-Q and reflect all adjustments which are considered necessary to report fairly the financial position as of March 31, 1992, the Consolidated Statements of Income for the three months ended March 31, 1992 and 1991, and the Consolidated Statements of Cash Flows for the three months ended March 31, 1992 and 1991. The accompanying Consolidated Interim Financial Statements should be read in conjunction with Banknorth Group, Inc.'s consolidated year end Financial Statements, including notes thereto, which are included in Banknorth Group, Inc.'s 1991 annual report to shareholders on Form 10-K.

2. Earnings per share were calculated based on 6,804,425 weighted average shares issued and outstanding.

KPMG Peat Marwick

Certified Public Accountants

74 North Pearl Street
Albany, NY 12207

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Banknorth Group, Inc.

We have reviewed the consolidated balance sheet of Banknorth Group, Inc. and subsidiaries as of March 31, 1992 and the related consolidated statements of income and cash flows for the three-month periods ended March 31, 1992 and 1991, in accordance with standards established by the American Institute of Certified Public Accountants.

A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical review procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Banknorth Group, Inc. and subsidiaries as of December 31, 1991, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended (not presented herein); and in our report dated January 29, 1992 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 1991, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

April 16, 1992

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following analysis focuses on the factors affecting the financial condition and results of operations of Banknorth Group, Inc. ("Banknorth" or "Company") during the three month period ended March 31, 1992, with comparisons to 1991 as applicable. The consolidated interim financial statements, as well as the 1991 annual report to shareholders, should be read in conjunction with this review.

Overview

Banknorth realized a net loss of $1.3 million, or $.20 per share, in the first quarter of 1992, compared to net income of $173 thousand, or $.03 per share, for the first quarter of 1991.

During the first quarter of 1992:

* Net interest income, at $15.8 million, decreased $1.8 million from the first quarter of 1991.
* The provision for possible loan losses, at $6.6 million, was up $1.0 million from the first quarter of 1991.
* Foreclosed real estate expenses were $1.5 million, an increase of $636 thousand from the first quarter of 1991.
* Non-performing loans increased $7.9 million from December 31, 1991 primarily as the result of one credit relationship.
* Four of five subsidiary banks and the mortgage company were profitable.

Total assets at March 31, 1992 were $1.6 billion, down only $12.2 million or .75% from March 31, 1991. Capital remained strong with total shareholders' equity at $124.0 million, or 7.70% of total assets at March 31, 1992.

Asset/Liability Management

Banknorth manages its assets and liabilities to maximize net interest income, while minimizing risk from movements in interest rates and maintain adequate liquidity.

Loans. Average total loans, $1.1 billion for the three months ended March 31, 1992, have decreased $91.3 million from the first quarter of 1991. Table A discloses the mix of loans in the portfolio at March 31, 1992, and measures growth and mix changes from March 31, 1991 and December 31, 1991.

From March 31, 1991 to March 31, 1992, the Company charged off loans totalling $35.4 million. During this same period, an additional amount of $29.6 million was transferred from the loan category to OREO as the result of in-substance or in-fact foreclosures, and $61.6 million of loans were sold outside the normal course of business, at a net gain. Without the above transactions, average loan growth, net of repayments, has amounted to $35.3 million, or 2.9%, over this time period.

Investment Securities. Average investment securities for the three months ended March 31, 1992, were $351.1 million, up $81.7 million, or 30.3%, from the same period a year ago. During the past 18 months, because of the growing trend of customer refinancing for lower rates, the Company has sold selected single-family mortgages carried in the loan portfolio at a gain, and invested a portion of the proceeds in mortgage-backed securities. Mortgage-backed securities were $202.4 million at March 31, 1992, up $130.9 million from March 31, 1991. The market value of the total investment securities portfolio at March 31, 1992 was $1.9 million in excess of book value. Table B details the securities in the portfolio as of March 31, 1992, with comparisons to 1991.

Income from Earning Assets. Income from earning assets, on a fully-taxable equivalent ("FTE") basis, was $33.2 million for the first quarter of 1992, a decrease of $7.1 million or 17.6% from the $40.3 million realized in the first quarter of 1991. The change was a result of a decrease in average balances of $24.6 million combined with a decrease in average rates earned of 172 basis points. The net interest margin in the first quarter of 1992 was 4.28%, compared to 4.71% in the first quarter of 1991. Detailed information regarding average balances of, and yields earned on, earning assets can be found in Table C. Table D details the impact on interest income of changes in volume and rate.

Deposits. Average total deposits were $1.4 billion for the three months ended March 31, 1992, down $18.5 million, or 1.3%, from the first quarter of 1991. Average increases in non-interest-bearing or lower rate deposits were offset by declines in higher rate certificates of deposit ("CDs") in response to the lower rate environment causing the overall decline. Average non-interest-bearing demand deposits grew $2.9 million, or 1.8%, while interest-bearing deposits declined $21.4 million, or 1.7% from the first quarter of 1991. Average increases in NOW and money market accounts, up $32.4 million or 8.7%, as well as regular savings, up $13.6 million or 8.9%, were offset by average declines in CDs and other time accounts, down $67.5 million or 9.1%. Mix changes in average deposit balances from the first quarter of 1991 to the first quarter of 1992 reflected the customer's desire to invest in shorter maturities as rates in general have trended downward since early in 1991.

Expense of Interest-Bearing Funds. Interest expense was $17.2 million for the first quarter of 1992, a decrease of $5.2 million or 23.2% from the first quarter of 1991. The change was the result of a $2.1 million decline in the average balances, as well as a 155 basis point decline in average rates paid. Detailed information regarding average balances of, and rates paid on, interest-bearing funds can be found in Table C. Table D details the impact on interest expense of changes in volume and rate.

Net Interest Income. Net interest income, on an FTE basis, for the three months ended March 31, 1992, was $16.0 million, down $1.9 million, or 10.7%, from the first quarter of 1991. This decline was the result of income from earning assets dropping $7.1 million, while the expense of interest-bearing funds fell only $5.2 million. General market rates have fallen dramatically since the first quarter of 1991 causing both components of net interest income to drop. During late 1991 and early 1992, Banknorth and the industry faced an all-time high rate of customer refinancing of single-family mortgage loans. A substantial portion of the loan portfolio was made up of such loans, many of which were yielding in excess of 9% and were valued in the marketplace at a premium to book value. Faced with the prospect that many of those loans would ultimately be refinanced at lower rates and the market premium would be lost, management sold a total of $61.6 million of mortgages at gains of $434 thousand and $1.7 million in late 1991 and in the first quarter of 1992, respectively.

Other Operating Income

Other operating income was $7.3 million for the first quarter of 1992, up $2.6 million, or 53.4%, from the first quarter of 1991. Included in the first quarter of 1992 was the $1.7 million gain on sale of single-family mortgage loans. Without the gain, other operating income for the first quarter of 1992 would have shown an increase of $821 thousand, or 17.2%, over the first quarter of 1991.

Other Operating Expenses

Other operating expenses for the three months ended March 31, 1992, were $18.8 million. This was an increase of $2.2 million, or 13.0%, above the first quarter of 1991. The following schedule details items included in the totals:

	Three Mos. Ended March 31,			
	1992	1991	Change	%
Total other operating expenses, as reported	$18,769	$16,614	$ 2,155	13.0%
FDIC insurance expense	806	698	108	15.5
OREO expense	1,478	842	636	75.5
Early retirement expense	872	-	872	-
Flood loss	100	-	100	-
Robbery loss	54	-	54	-
Expense of consolidation	81	-	81	-
Expense of EDP conversion	-	706	(706)	-
Total other operating expenses, without the above items	$15,378	$14,368	$ 1,010	7.0%

As the schedule shows, other than the items listed above, management has been able to control overhead expenses to a reasonable level of increase.

Non-Performing Assets

Non-Performing Loans. Non-performing loans, including those past due 90 days and still accruing interest, were $38.2 million at March 31, 1992, up $4.1 million or 11.9% from March 31, 1991. Non-performing loans increased $7.9 million from December 31, 1991, primarily as the result of one commercial credit relationship which management has had under close scrutiny for over a year. This credit was partially charged off in the first quarter of 1992 with the remaining balance being placed on non-accrual status. Table F presents details of non-performing loans, by category, as of March 31, 1992, with comparisons to December 31, 1991 and March 31, 1991.

Allowance for Possible Loan Losses. The adequacy of the Allowance for Possible Loan Losses ("APLL") is evaluated monthly based on both a review of all loan categories, with special emphasis on loans that management believes warrant special attention, as well as expectations of future economic conditions. In the first quarter of 1992, the provision for possible loan losses was $6.6 million, an increase of $1.0 million, or 18.8%, over the first quarter of 1991. Loans charged off, net of recoveries, for the first quarter of 1992 were $4.2 million, compared to $3.9 million in the first quarter of 1991. Management is cautiously optimistic that the present recession, a primary contributor to the level of non-performing assets, will begin to show some signs of recovery in 1992. Levels of loans, internally graded adversely, have begun to decline. Should these trends continue, management expects that quarterly levels of provisions to the APLL would be reduced. At March 31, 1992, the APLL stood at $24.5 million, or 2.22% of total loans, affording 64.24% coverage of total non-performing loans. It is management's belief, based on analysis of current data, that as of March 31, 1992, the APLL provided adequate protection against loss. Table H analyzes changes to the APLL by loan category for the first quarter of 1992 with comparisons to the year ended December 31, 1991 and the quarter ended March 31, 1991.

Other Real Estate Owned. Total other real estate owned ("OREO") was $25.5 million at March 31, 1992, up $14.3 million from March 31, 1991, but down $447 thousand from December 31, 1991. Sales activity of OREO has begun to increase which has helped to reduce the balance. Management believes, based on experiences of peers in the industry and the sluggish economic recovery, that elimination of the Company's OREO problem will possibly take an extended period of time. Expenses related to OREO in the first quarter of 1992 were $1.5 million. This level of OREO expense is expected to continue for the remainder of 1992. Table G details the OREO balances at March 31, 1992 with comparisons to December 31, 1991.

Capital Resources

Shareholders' equity (Tier I capital) at March 31, 1992 was $124.0 million, or 7.70% of total assets. Table I presents factors related to risk-based capital adequacy in more detail. The capital adequacy ratios in Table I are all in excess of minimum regulatory guidelines. Based upon expected improvements in non-performing assets which should result in lower levels of provisions to the APLL, management believes the Company will return to profitability in 1992 which will prevent further erosion of the strong capital base. Cash dividends remain suspended to protect the shareholders' principal investment. The book value of common stock was $18.22 per share at March 31, 1992.

Income Taxes

Banknorth reported a tax benefit of $921 thousand, for book purposes, for the first quarter of 1992. The comparable income tax benefit for the first quarter of 1991 was $7 thousand. Loss before income taxes for the first quarter of 1992 was $2.3 million, compared to income before income taxes of $166 thousand in the first quarter of 1991.

Liquidity

Banknorth's liquidity, the ability to fund new asset growth as well as deposit replacements, remained strong during the first quarter of 1992. Consumer confidence in Banknorth's position in the markets served, as well as capital strength, has enabled the Company to continue to attract deposits at normal local market rates and raise other funds as needed. Dependency on more volatile sources of funds continues to be reduced.

TABLE A.
LOAN PORTFOLIO
AND PERCENTAGE
DISTRIBUTION

	At March 31,				At December 31,		% Change 3/31/92 vs. 3/31/91	% Change 3/31/92 vs. 12/31/91
	1992		1991		1991			
	Amount	Percent	Amount	Percent	Amount	Percent		
	(Dollars in thousands)							
Commercial, financial, and agricultural	$176,810	16.0 %	$222,922	18.3 %	$190,872	16.4 %	(20.7)%	(7.4)
Real estate:								
Construction and land development	29,710	2.7	29,827	2.4	32,991	2.8	3.1	(9.9)
Commercial	350,371	32.5	419,642	34.4	362,693	31.1	(16.4)	(1.2)
Residential	352,267	32.0	349,674	28.6	344,755	29.5	0.7	2.2
Total real estate	740,348	67.2	799,143	65.4	740,449	63.4	(7.2)	--
Credit card receivables	20,104	1.8	16,209	1.3	15,991	1.4	24.0	25.7
Other installment	146,659	13.5	177,393	14.5	157,987	13.5	(16.2)	(5.9)
Total installment	160,763	15.3	193,602	15.8	173,978	14.9	(12.8)	(3.0)
Mortgages held for sale	16,510	1.5	6,991	0.5	62,039	5.3	171.2	(73.4)
Total loans	$1,102,439	100.0	$1,220,758	100.0	$1,167,338	100.0	(9.7)	(5.6)
Less allowance for possible loan losses	24,528	2.2	26,344	2.2	22,096	1.9	(6.9)	11.0
Net loans	$1,077,911	97.8 %	$1,194,414	97.8 %	$1,145,242	98.1 %	(9.8)%	(5.9)

TABLE B.
INVESTMENT SECURITIES

	At March 31,		At December 31,
	1992	1991	1991
	(In thousands)		
U.S. Treasuries and agencies	$112,188	$130,164	$94,882
States and political subdivisions	31,273	41,338	31,331
Mortgage-backed securities	202,353	71,487	201,732
Other securities	7,829	16,267	8,610
Total book value	$353,643	$279,256	$336,555
Market value	$355,569	$280,623	$344,302
Excess of market value versus book value	1,926	1,367	7,747
Market value as a % of book value	100.5%	100.5%	102.3%

TABLE C.
AVERAGE BALANCES, YIELDS AND NET INTEREST MARGIN

	Three Months Ended March 31, 1992			Three Months Ended March 31, 1991		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
			(Dollars in thousands)			
Earning assets:						
Deposits with banks	$59	$1	6.78 %	$1,002	$25	9.98 %
Federal funds sold	13,232	130	3.93	15,193	236	6.21
Securities purchased under agreements to resell	--	--	--	12,167	199	6.54
Investments:						
Taxable	320,026	5,867	7.33	228,718	4,829	8.44
Tax exempt (note 1)	31,060	660	8.50	40,636	978	9.63
Total investments	351,086	6,527	7.44	269,354	5,806	8.62
Loans, net of unearned discount and unamortized loan fees (notes 1,2,& 3)	1,132,448	26,507	9.36	1,223,706	33,990	11.11
Total earning assets	1,496,825	33,165	8.86	1,521,422	40,256	10.58
Cash and due from banks	70,003			71,447		
Allowance for possible loan losses	(23,669)			(25,617)		
Other assets	89,058			71,127		
Total assets	$1,632,217			$1,638,399		
Interest-bearing liabilities:						
NOW and money market accounts	$407,200	$1,040	1.97	$374,762	$5,074	5.42
Regular savings	166,905	1,798	4.31	153,268	1,915	5.00
Time deposits	675,598	10,493	6.21	743,662	14,560	7.84
Long-term debt	14,029	268	7.64	42	1	6.00
Short-term borrowings	58,960	554	3.76	55,638	778	5.80
Total interest-bearing liabilities	1,322,691	17,153	5.19	1,324,772	22,328	6.74
Demand deposits	184,901			161,531		
Other liabilities	19,964			22,832		
Shareholders' equity	125,161			129,264		
Total liabilities and shareholders' equity	$1,632,217			$1,638,399		
Net interest income		$16,012			$17,928	
Interest rate differential			3.67 %			3.84 %
Net interest margin			4.28 %			4.71 %

Notes:
(1) Tax exempt income has been adjusted to a tax equivalent basis by tax effecting such interest at the Federal income tax rate of 34%.
(2) Includes principal balances of non-accrual loans. Interest income relating to non-accrual loans is not included.
(3) Includes industrial revenue bonds.

1992 vs 1991

TABLE 3.
VOLUME AND YIELD ANALYSIS

	Three months ended March 31,		Increase	Due to	
	1992	1991	(Decrease)	Volume	Rate
			(In thousands)		
Interest income (FTE):					
Deposits with banks	91	925	(834)	(816)	(18)
Federal funds sold	130	236	(106)	(19)	(87)
Securities purchased under agreements to resell	--	199	(199)	--	(199)
Investments:					
Taxable	5,867	4,828	1,039	1,674	(635)
Tax exempt	660	978	(318)	(203)	(115)
Total investments	6,527	5,806	721	1,471	(750)
Loans	26,507	33,990	(7,483)	(2,136)	(5,347)
Total interest income	33,165	40,256	(7,091)	(700)	(6,391)
Interest expense:					
NOW and money market accounts	4,040	5,074	(1,034)	322	(1,356)
Regular savings	1,798	1,915	(117)	147	(264)
Time deposits	10,493	14,560	(4,067)	(1,048)	(3,019)
Long-term debt	268	1	267	267	--
Short-term borrowings	554	778	(224)	50	(274)
Total interest expense	17,153	22,328	(5,175)	(262)	(4,913)
Net interest income (FTE)	$16,012	$17,928	($1,916)	($438)	($1,478)

Increases and decreases in interest income and interest expense due to both rate and volume have been allocated to volume on a consistent basis.

TABLE E
INTEREST RATE SENSITIVITY ANALYSIS

	Assets/Liabilities as of March 31, 1992 subject to repricing within:		
	0-90 days	0-180 days	0-1 year
Contractual amounts	(Dollars in thousands)		
Earning assets:			
Loans	637,918	739,451	854,521
Investment securities	48,937	74,326	96,010
Other	9,575	9,575	9,575
Total earning assets	696,430	823,352	960,106
Net sources:			
Interest-bearing deposits	775,294	1,006,212	1,149,754
Short-term borrowings	51,693	51,693	51,693
Long-term debt	14,000	14,014	14,014
Total net sources	840,987	1,071,919	1,215,461
Earning assets in excess of interest-bearing liabilities (Gap)	(144,557)	(248,567)	(255,355)
Gap as a % of total assets	8.98%	15.43%	15.86%
Cumulative gap ratio	0.83	0.77	0.79
Company targets	.85-1.15	.90-1.10	.95-1.05
Managerial amounts			
Earning assets:			
Loans	637,918	739,451	854,521
Investment securities	48,937	74,326	96,010
Other	9,575	9,575	9,575
Total earning assets	696,430	823,352	960,106
Net sources:			
Interest-bearing deposits	429,842	1,006,212	1,149,754
Short-term borrowings	51,693	51,693	51,693
Long-term debt	14,000	14,014	14,014
Total net sources	505,535	1,071,919	1,215,461
Earning assets in excess of interest-bearing liabilities (Gap)	190,895	(248,567)	(255,355)
Gap as a % of total assets	11.85%	15.43%	15.86%
Cumulative gap ratio	1.38	0.77	0.79
Company targets	.85-1.15	.90-1.10	.95-1.05

TABLE E - Continued

INTEREST RATE SENSITIVITY ANALYSIS	Assets/Liabilities as of December 31, 1991 subject to repricing within:		
	0-90 days	0-180 days	0-1 year
Contractual amounts	(Dollars in thousands)		
Earning assets:			
Loans (8)	581,398	655,014	806,733
Investment securities	40,998	89,872	109,956
Other	4,501	4,551	4,551
Total earning assets	626,897	749,437	921,140
Net sources:			
Interest-bearing deposits	792,689	939,975	1,145,906
Short-term borrowings	78,113	78,113	78,113
Long-term debt	14,000	14,000	14,014
Total net sources	884,802	1,032,088	1,238,033
Earning assets in excess of interest-bearing liabilities (Gap)	(257,905)	(282,651)	(316,893)
Gap as a % of total assets	15.54%	17.03%	19.09%
Cumulative gap ratio	0.71	0.73	0.74
Company targets	.85-1.15	.90-1.10	.95-1.05
Managerial amounts			
Earning assets:			
Loans (8)	581,398	655,014	806,733
Investment securities	40,998	89,872	109,956
Other	4,501	4,551	4,551
Total earning assets	626,897	749,437	921,140
Net sources:			
Interest-bearing deposits	736,781	939,975	1,145,906
Short-term borrowings	78,113	78,113	78,113
Long-term debt	14,000	14,000	14,014
Total net sources	428,894	1,032,088	1,238,033
Earning assets in excess of interest-bearing liabilities (Gap)	198,003	(282,651)	(316,893)
Gap as a % of total assets	11.93%	17.03%	19.09%
Cumulative gap ratio	1.46	0.73	0.74
Company targets	.85-1.15	.90-1.10	.95-1.05

(8) Includes the effects of interest rate swaps for December 31, 1991.

TABLE F. NON-PERFORMING ASSETS	At March 31, 1992	At December 31, 1991	% Change 3/31/92 vs. 12/31/91
	(Dollars in thousands)		
Loans on a non-accrual basis:			
Commercial, financial and agricultural	$7,774	$3,571	117.70 %
Real estate:			
Construction and land development	567	1,272	(55.42)
Commercial	19,570	15,180	28.93
Residential	5,780	5,486	5.36
Credit card	42	6	600.00
Other installment	2	22	(90.91)
Total non-accrual	33,735	25,517	32.21
Restructured loans:			
Commercial, financial and agricultural	822	848	(4.01)
Real estate:			
Construction and land development	891	--	--
Commercial	136	899	(84.87)
Residential	37	137	(72.99)
Credit card	--	--	--
Other installment	21	21	--
Total restructured	1,707	1,705	0.12
Past-due 90 days or more and still accruing:			
Commercial, financial and agricultural	434	71	511.27
Real estate:			
Construction and land development	--	--	--
Commercial	276	828	(66.67)
Residential	1,037	820	26.46
Credit card	130	72	80.56
Other installment	861	1,223	(29.60)
Total past-due 90 days or more and still accruing	2,738	3,014	(9.16)
Total non-performing loans	38,180	30,236	28.27
Other real estate owned	11,400	8,931	27.65
Investments foreclosed real estate	14,096	17,012	(17.14)
Total other real estate owned (OREO)	25,496	25,943	(1.72)
Total non-performing assets (NPA)	$63,676	$56,179	13.34 %
At period-end:			
Allowance for possible loan losses (APLL)	$24,528	$22,096	
Coverage of non-performing loans	64.24%	73.08%	
Non-performing assets to loans + OREO	5.65%	4.71%	
NPA to total assets	3.95%	3.38%	

TABLE 6. OTHER REAL ESTATE OWNED	MARCH 31, 1992	DECEMBER 31, 1991
Foreclosures:		
Commercial	$4,959	$4,089
Condominium	172	179
Apartment	744	182
Land	4,230	3,620
Single family residential	1,295	870
	11,400	8,931
In-Substance Foreclosures:		
Commercial	$8,075	$9,826
Condominium	583	373
Apartment	1,219	1,931
Land	1,699	1,871
2-4 family residential	104	462
Single family residential	2,416	2,549
	14,096	17,012
Total other real estate owned	$25,496	$25,943

TABLE 8.
SUMMARY OF LOAN LOSS EXPERIENCE

	Three Months Ended March 31, 1992	Year Ended December 31, 1991
	(Dollars in thousands)	
Loans outstanding-end of period	$1,102,436	$1,167,316
Average loans outstanding-period to date	1,132,448	1,216,816
Allowance for possible loan losses at beginning of period	922,896	$24,745
Loans charged off:		
Commercial, financial and agricultural	(2,672)	(9,449)
Real estate:		
Construction and land development	(36)	(5,376)
Commercial	(716)	(6,836)
Residential	(349)	(3,285)
Total real estate	(1,099)	(18,502)
Consumer	(1,684)	(6,218)
Total loans charged off	(5,455)	(34,169)
Recoveries on loans:		
Commercial, financial and agricultural	439	946
Real estate:		
Construction and land development	77	--
Commercial	276	384
Residential	53	74
Total real estate	406	538
Consumer	456	1,326
Total recoveries on loans	1,301	2,796
Loans charged off, net of recoveries	(4,154)	(31,933)
Provision for possible loan losses	6,586	29,284
Allowance for possible loan losses at end of period	24,528	$22,096
Net loans charged off as a % of average loans (annualized)	1.47%	2.62%
Provision for possible loan losses as a % of average loans (annualized)	2.33%	2.41%
Allowance for possible loan losses as a % of period-end loans	2.22%	1.89%

TABLE I. CAPITAL RATIOS	At March 31, 1992	At December 31, 1991
	(Dollars in thousands)	
Total assets	$1,610,496	$1,659,751
Allowance for possible loan losses	24,528	22,096
Non-Risk Adjusted:		
Primary capital ratio	9.08%	8.77%
Total capital ratio	9.08%	8.77%
Risk Adjusted:		
Total risk-adjusted on-balance-sheet assets	$1,099,161	$1,128,797
Total risk-adjusted off-balance-sheet items	46,348	49,531
Total risk-adjusted assets	$1,145,509	$1,178,328
Total risk-adjusted assets/total assets	71.13%	70.99%
Total shareholders' equity (Tier I capital)	$124,004	$125,346
Maximum allowance for possible loan losses (Note 1)	14,445	14,820
Allowable subordinated debt	3	3
Total capital (Tier II capital)	$138,452	$140,169
Tier I capital/total assets	7.70%	7.55%
Tier I capital/total risk-adjusted assets	10.83	10.64
Tier II capital/total risk-adjusted assets	12.09	11.90

Notes:

(1) Upon final implementation of regulatory capital guidelines in 1992, the maximum allowance for possible loan losses used in calculating total (Tier II) capital will be the lower of the period-end allowance for possible loan losses or 1.25% of risk-adjusted assets.

CONSOLIDATED AVERAGE BALANCE SHEETS

	Three Months Ended March 31, 1992 Average Balance	1992 %	1991 Average Balance	1991 %	$ Change	% Change
	(Dollars in thousands)					
Assets						
Earning assets:						
Deposits with banks	$59	-- %	$1,002	0.06 %	($943)	(94.1)%
Federal funds sold	13,232	0.81	15,193	0.93	(1,961)	(12.9)
Securities purchased under agreements to resell	--	--	12,167	0.74	(12,167)	(100.0)
Investments:						
Taxable	320,026	19.61	228,718	13.96	91,308	39.9
Tax exempt	31,060	1.90	49,636	2.48	(19,576)	(23.6)
Total investments	351,086	21.51	269,354	16.44	81,732	30.3
Loans, net of unearned income	1,132,448	69.38	1,223,706	74.69	(91,258)	(7.5)
Total earning assets	1,496,825	91.70	1,521,422	92.86	(24,597)	(1.6)
Non-earning assets:						
Cash and due from banks	70,003	4.29	71,467	4.36	(1,464)	(2.0)
Allowance for possible loan losses	(23,669)	(1.45)	(25,617)	(1.56)	1,948	(7.6)
Other assets	89,058	5.46	71,127	4.34	17,931	25.2
Total non-earning assets	135,392	8.30	116,977	7.14	18,415	15.7
Total assets	$1,632,217	100.00 %	$1,638,399	100.00 %	($6,182)	(0.4)%
Liabilities and Shareholders Equity						
Liabilities:						
Deposits:						
Demand deposits	$164,401	10.07 %	$161,531	9.86 %	$2,870	1.8 %
NOW and money market accounts	407,200	24.95	374,762	22.87	32,438	8.7
Regular savings	166,905	10.23	153,268	9.36	13,637	8.9
Time deposits	675,598	41.39	743,062	45.35	(67,464)	(9.1)
Total deposits	1,414,104	86.64	1,432,625	87.44	(18,519)	(1.3)
Long-term debt	14,028	0.86	42	--	13,986	--
Short-term borrowings	58,960	3.61	53,638	3.28	5,322	9.9
Other liabilities	19,964	1.22	22,832	1.39	(2,868)	(12.6)
Total liabilities	1,507,056	92.33	1,509,135	92.11	(2,079)	(0.1)
Shareholders equity	125,161	7.67	129,264	7.89	(4,103)	(3.2)
Total liabilities and shareholders equity	$1,632,217	100.00 %	$1,638,399	100.00 %	($6,182)	(0.4)%

SELECTED FINANCIAL DATA	Three Months Ended March 31,	Years Ended December 31,			
	1992	1991	1990	1989	1988
	(Dollars in thousands, except share and per share data)				
Statement of income data:					
Interest income, including loan fees	$32,916	$154,461	$164,327	$167,319	$142,414
Interest expense	17,153	84,142	94,269	94,985	77,544
Net interest income	15,763	70,319	70,058	72,434	64,870
Provision for possible loan losses	6,586	29,284	20,249	7,200	4,481
Net interest income after provision for possible loan losses	9,177	41,035	49,709	65,234	59,889
Other operating income	7,329	19,682	23,740	21,619	17,873
Other operating expenses	18,769	69,513	64,665	61,069	55,243
Income (loss) before income taxes	(2,263)	(8,796)	8,784	25,784	22,519
Income tax expense (benefit)	(923)	(5,134)	1,954	7,943	5,585
Net income (loss)	($1,340)	($3,662)	$7,829	$17,831	$16,934
Share and per share data (1):					
Shares outstanding	6,804,425	6,804,425	6,804,425	6,804,425	6,807,671
Weighted average shares outstanding	6,804,425	6,804,425	6,804,425	6,801,571	6,794,074
Book value	$18.33	$18.42	$18.92	$18.95	$17.11
Cash dividends declared	--	--	1.04	0.98	0.90
Net income (loss)	(0.20)	(0.54)	1.04	2.62	2.41
Financial ratios:					
Return (loss) on average assets	(0.33)%	(0.22)%	0.45%	1.10%	1.08%
Return (loss) on average shareholders' equity	(4.31)	(2.67)	5.68	14.31	14.72
Cash dividends declared as a % of net income	--	--	98.92	37.39	37.15
Tier I capital as a % of total risk-adjusted assets	10.83	10.64	10.35	9.88	--
Tier II capital as a % of total risk-adjusted assets	12.09	11.90	11.61	11.02	--
Average balances:					
Total assets	$1,632,217	$1,630,785	$1,639,688	$1,627,170	$1,532,746
Earning assets	1,496,825	1,514,248	1,514,619	1,501,768	1,407,084
Loans	1,132,448	1,316,936	1,295,943	1,255,110	1,150,630
Allowance for possible loan losses	21,669	26,808	17,865	13,723	10,784
Investment securities	351,886	271,862	283,794	234,952	214,410
Deposits	1,414,104	1,417,473	1,410,110	1,422,930	1,360,887
Short-term borrowings	58,960	59,512	55,664	61,911	46,128
Long-term debt	14,023	6,674	45	534	1,577
Shareholders' equity	125,161	127,620	130,[illegible]	126,168	112,292

(1) Share data restated giving retroactive effect to stock splits, stock dividends and pooling of interests.

Item 5. Other Information

On May 12, 1992, the Company's subsidiary, First Vermont Bank and Trust Company, received notice from the FDIC that, based on its most recent regulatory examination, First Vermont is being asked to consent to the issuance of a regulatory order with respect to certain aspects of the Bank's operations. First Vermont will be commencing discussions shortly with respect to the issuance and contents of the proposed order.

Item 6. Exhibits and Reports on Form 8-K

(b) On February 3, 1992, Banknorth Group, Inc. filed a report on Form 8-K, Item 5, Other Events.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BANKNORTH GROUP, INC.

Registrant

Date: 5/12/92

William H. Chadwick
President & CEO

Date: 5/12/92

Thomas J. Fruitt
Executive Vice President and
Chief Financial Officer